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Director, Federal Regulatory Matters

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NYNEX

March 22, 1996

Ex Parte

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MAR 22 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

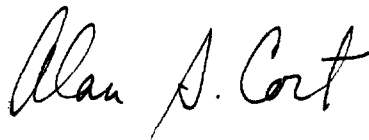
Re: Number Portability - CC Docket 95-116

Dear Mr. Caton:

In the above-referenced docket, the Commission recently requested that NYNEX file information regarding its costs for the interim number portability (INP) arrangements it provides. Attached is a description of the methodology used to develop costs for INP in Massachusetts, and the tariff pages and cost development for INP in New York.

Please contact me if you have further questions.

Sincerely,



Attachment

cc: J. Karp

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All copies made
10/2/95

**NYNEX
FEDERAL REGULATORY PLANNING**

**Costs for the Interim Number Portability (INP)
Offerings of the NYNEX Telephone Companies**

NYNEX currently has INP offerings in two of its state jurisdictions - Massachusetts (MA) and New York (NY). When INP was initially offered to Competitive Local Exchange Carriers (CLECs), the rates, arrived at through negotiation with the CLECs, were the same in both jurisdictions. Since that time, as described below, conditions have changed.

Massachusetts

The current charge for ported telephone numbers utilizing INP in MA is \$2 for a residence line and \$4 for a business line. These rates, independent of the technology used (Remote Call Forwarding (RCF), Route Indexing (RI), etc.), were initially negotiated with CLECs in NY and were introduced in MA as CLECs began operations there and interconnection arrangements were developed.

No detailed cost studies were performed for these negotiations. However, the rates were developed on the presumption that at some future point in time a database solution for number portability would be implemented. Furthermore it was presumed that at that future point in time business lines would make 1000 queries a month and residence lines 500 queries a month, respectively, at a rate of \$0.004 per query,¹ thus resulting in the rates described above.

New York

As mentioned above, the rate structure currently in place in MA was initially utilized in NY. However, based on a NY Public Service Commission Order,² if New York Telephone³ (NYT) could not obtain unanimous agreement from every company in its territory that is eligible to have number portability on the alternative arrangements that had been negotiated, then NYT had the alternative option to adopt and file tariffs for a modified version of the Rochester Plan. Unanimous agreement could not be reached and thus NYT filed a tariff for INP, following the

¹ Currently in the federal access tariff, F.C.C. No. 1, NYNEX has the following query charges. For 800 Data Base Access, the: Customer Identification Charge is \$0.003981; 800 to POTS Number Translation charge is \$0.001580; Call Handling and Destination Feature charge is \$0.003466. A LIDB Validation Charge is currently \$0.031260. Thus, the charge of \$0.004 per query for interim number portability would appear to be more than reasonable.

² Case 94-C-0095 - Proceeding on Motion of the Commission to Examine Issues Related to the Continued Provision of Universal Service and to Develop a Framework for the Transition to Competition in the Local Exchange Market, ORDER CLARIFYING MARCH 8, 1995 NUMBER PORTABILITY ORDER, Issued and Effective December 12, 1995.

³ New York Telephone is the NYNEX telephone company serving portions of the States of New York and Connecticut.

NYNEX
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principles of the Rochester Plan, on February 9, 1996, effective on one day's notice⁴ in NYT's P.S.C. No. 914 tariff for Network Interconnection Services.⁵ This plan will allow NYT to recover a portion of its costs for porting numbers and delivering associated calls to CLECs. The plan calls for an annual charge to a particular CLEC for all of the ported lines that it has. As can be seen in the attachment, this charge is calculated as the charge for a working telephone number times the number of telephone numbers ported to a CLEC. The charge for a working telephone number is the total of the total ported minutes of use times the switching and transport costs spread over all of the working telephone numbers that NYT provides. \$0.01 is the value used for the switching and transport costs, as suggested in the order.⁶

NYT estimated in its tariff filing based on the suggested surcharge costs for INP contained in the PSC's order that its annual cost to implement the Rochester Plan is at least \$12 Million.

⁴ The tariff pages outlining the terms and conditions of this offering, as well as the calculation of charges, are attached.

⁵ NYT created the 914 tariff in 1995 to specifically meet the local (intra LATA) interconnection needs of CLECs.

⁶ p. 9, "Suggested surcharge costs are \$.006 per minute each for switching element and \$.004 per minute for the transport elements (\$.01 total) based on an estimate of average industry costs."

NETWORK INTERCONNECTION SERVICES

4. CLEC NET-I Services (Cont'd)

4.2 Interim Number Portability (INP)

Interim Number Portability allows the CLEC's end user customer to retain a Telephone Company assigned telephone number when that end user customer disconnects the local exchange service provided by the Telephone Company and subscribes to local exchange service provided by a CLEC while remaining within the same central office boundary.

Under INP an incoming call to a Telephone Company provided telephone number will initially terminate at the Telephone Company end office switch serving the NXX of that retained Telephone Company assigned telephone number and then will be redirected to the CLEC's network using the best available technology. The service will be available to the CLEC as long as the end user customer originally assigned the telephone number stays within the boundary of the central office serving that NXX or does not disconnect the CLEC's local exchange service. The CLEC must notify the Telephone Company within five (5) business days if its end user customer changes customer premises location from the Telephone Company central office boundary serving that NXX or disconnects the CLEC's local exchange service. Upon notification by the CLEC or the end user customer, the Telephone Company will cancel the INP arrangement associated with the changed or disconnected service.

INP will be activated when the Telephone Company's end user customer, or the CLEC acting as the end user customer's authorized agent, notifies the Telephone Company to disconnect the Telephone Company's local exchange service and route incoming calls to that Telephone Company assigned telephone number to the CLEC's network for that end user customer's use. The Telephone Company will cancel INP upon request by the CLEC end user customer or the CLEC. The CLEC will be liable for all charges until the Telephone Company cancels INP.

The Telephone Company reserves the right to determine the type of serving arrangement used to redirect INP calls to the CLEC network.

The CLEC will become the customer of record for the original Telephone Company assigned telephone number provided that the CLEC continues to use the INP arrangement for the use of the end user customer originally assigned the Telephone Company telephone number(s).

NETWORK INTERCONNECTION SERVICES

4. CLEC NET-I Services (Cont'd)

4.2 Interim Number Portability (INP) (Cont'd)

The CLEC will also be responsible for all future charges associated with the INP arrangement including collect, third number billed calls and any other calls charged to the Telephone Company provided telephone number. (N)

INP service will be terminated if the CLEC's end user does not pay its final bill to the Telephone Company. (N)

The Telephone Company will update its LIDB listing for redirected telephone numbers and cancel Telephone Company calling cards associated with such numbers. (N)

CLECs purchasing services out of this tariff must make interim number portability arrangements available to the Telephone Company on a reciprocal basis and under the same terms and conditions. (N)

Except as set forth in Sections 2.1.1(A)(iii) preceding, Optional Services provided by the Telephone Company are not available with INP. Calling Party information passed from the Telephone Company to the CLEC's network may reflect the Telephone Company provided telephone number. (N)

Tandem Subtending Arrangements do not apply to redirected calls under INP. The Telephone Company will retain all carrier access charge rate elements billed under the P.S.C. No. 913 Tariff and the F.C.C. No. 1 Tariff. (N)

For all redirected calls the Telephone Company will pay the CLEC the appropriate terminating local access charges applicable to local traffic for Eligible CLECs. (N)

To compensate for additional switching and transport costs, the Telephone Company will establish an annual charge on all working telephone numbers provided by the Telephone Company. The charge will be payable by the CLEC providing end user service on that number. The annual charge will be assessed in December of each year. (N)

The annual charge billed to the CLEC will be calculated and applied as set forth in Section 10.4.4 following. (N)

New York Telephone Company

Section 10
2nd Revised Page 7
Superseding 1st Revised Page 7

NETWORK INTERCONNECTION SERVICES

10. Rates and Charges (Cont'd)

10.4 CLEC NET-I Services (Cont'd)

10.4.4 Interim Number Portability

(C)

The annual charge billed to the CLEC will be calculated and applied as follows:

(N)

(N)

Total Ported Minutes x Switching And Transport Costs = Charge Per Working TN
Total Working Telephone Numbers (TNs) Provided By
The Telephone Company

(N)

(N)

(N)

Charge Per Working TN x Number Of Ported TNs Used = Charge Per CLEC
By The CLEC

(N)

(N)

Issued in compliance with Order of the Public Service Commission,
dated December 12, 1995 in Case No. 94-C-0095.

Issued: February 9, 1996

Effective: February 10, 1996

By Sandra DiIorio Thorn, General Attorney
1095 Avenue of the Americas, New York, N.Y. 10036